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## CONTROLLING SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS

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### PRE-IPO INVESTMENT

On July 5, 2011, Wison Holding and the Pre-IPO Investors, namely BOCOM, Credit Suisse, UOB, Gold Prosperity, Sun-Rising, Huadian, Huaneng Invesco WLR, Sincere, Hao Peng, Stone Capital and Feixl entered into eight separate Subscription Agreements. Pursuant to the Subscription Agreements, Wison Holding conditionally agreed to issue and the Pre-IPO Investors conditionally agreed to subscribe for the Bonds. The consideration for the Bonds was paid by the Pre-IPO Investors and the Bonds were issued by Wison Holding to the Pre-IPO Investors on July 6, 2011. The gross proceeds of US\$95 million from the investment were intended to fund the discharge or repayment of certain payables and loans owed by Wison Holding group companies (which are not within our Group for the purpose of the Listing) to members of our Group and to fund the payment of fees and expenses due and payable under or in connection with the investment. See “Appendix IV—Summary of Pre-IPO Investment” for further details of the Bonds.

Wison Holding, the issuer of the Bonds, entered into agreements with Huadian on March 23, 2012 and with Huaneng Invesco WLR, Credit Suisse and UOB on June 4, 2012 to redeem the Bonds issued to those parties for an aggregate consideration of US\$39,499,421.62, completion of which took place on June 20, 2012 for Huadian and on June 25, 2012 for Huaneng Invesco WLR, Credit Suisse and UOB. See “Appendix IV—Summary of Pre-IPO Investment—Redemption of the Bonds issued to Huadian, Huaneng Invesco WLR, Credit Suisse and UOB by Wison Holding” for further details.

The Remaining Pre-IPO Investors have undertaken to terminate the Second Put Option in order to comply with the “Interim Guidance on Pre-IPO Investments Pending Consultation on Possible Listing Rule Amendments” issued by the Listing Committee on October 13, 2010 (reproduced as HKEx Guidance Letter HKEx-GL29-12 on January 16, 2012) (the “Interim Guidance”). On June 1, 2012, Wison Holding, our Company, Wison Investment and Mr. Hua reached an agreement with the Pre-IPO Investors (other than those whose Bonds have been redeemed) to terminate the Second Put Option, pursuant to which the Pre-IPO Investors irrevocably (i) agreed that the Second Put Option and any or all of their rights and interests under the Second Put Option be terminated without any consideration and confirmed that there is no other agreement between Wison Holding, our Company, Wison Investment or Mr. Hua or any of their respective affiliates and the Bond holders in respect of such termination and (ii) agreed that Wison Holding, our Company, Wison Investment and Mr. Hua be released and forever discharged from any obligations whatsoever in respect of the Second Put Option under the terms and conditions set out in the Majority Shareholder Undertakings. See “Appendix IV—Summary of Pre-IPO Investment—Termination of the Second Put Option” for further details.

On September 20, 2012, the Bonds held by the Remaining Pre-IPO Investors were exchanged into our Shares pursuant to the terms and conditions of the Bonds and the Remaining Pre-IPO Investors became our Shareholders.

### SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the Global Offering, the Capitalization Issue and the Sun-Rising Adjustment, without taking into account the Shares that could be issued upon the exercise of the Over-allotment Option or Shares which may be

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issued pursuant to the options granted under the Pre-IPO Share Option Scheme or under the Share Option Scheme or Shares which may be acquired by any person under the Global Offering which would affect disclosure in this section, the following persons will have an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group:

<b>Name</b>	<b>Company/Name of Group Company</b>	<b>Capacity/Nature of interest</b>	<b>Number of Shares/amount of registered capital directly or indirectly held/owned<sup>(1)</sup></b>	<b>Approximate percentage of shareholding</b>
Wison Investment . . . . .	Company	Beneficial owner	3,175,520,000(L)	79.39%
Wison Holding <sup>(2)</sup> . . . . .	Company	Interest in controlled corporation	3,175,520,000(L)	79.39%
Mr. Hua <sup>(3)</sup> . . . . .	Company	Interest in controlled corporations	3,175,520,000(L)	79.39%
Ms. Huang Xing <sup>(4)</sup> . . . . .	Company	Interest of spouse	3,175,520,000(L)	79.39%

**Notes:**

- (1) The letter "L" denotes the person's long position in such Shares.
- (2) Wison Holding, as the sole shareholder of Wison Investment, is deemed or taken to be interested in the Shares which are owned by Wison Investment. Pursuant to a term loan facility in an amount of US\$100 million provided by China Minsheng Banking Corp., Ltd., Hong Kong Branch to Wison Holding on November 27, 2012, Wison Holding agreed to procure Wison Investment to give a share mortgage in favor of China Minsheng Banking Corp., Ltd. Hong Kong Branch as security for such loan facility in respect of (a) not less than 20% of the issued share capital of our Company after Listing; or (b) the market value of our Shares equal to or more than the amount of US\$400 million, whichever is higher. The above-mentioned mortgage will be provided to China Minsheng Banking Corp., Ltd., Hong Kong Branch shortly after Listing. According to note 2 to Rule 10.07(2) of the Listing Rules, a controlling shareholder of a listed issuer is not prevented from using securities of the issuer beneficially owned by him as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan. China Minsheng Banking Corp., Ltd., Hong Kong Branch is an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)).
- (3) Mr. Hua, as the sole shareholder of Wison Holding, is deemed or taken to be interested in the Shares which are beneficially owned by Wison Holding. Pursuant to a loan agreement dated May 28, 2012 entered into between a company wholly-owned by Mr. Hua and Credit Suisse AG, Mr. Hua intended to procure Wison Investment to pledge with Credit Suisse AG for a commercial loan, his shareholding in our Company equivalent to the value of US\$30 million as collateral ("Collateral") after the Listing. For the purpose of calculation, the value of Collateral is computed by reference to the closing price of the Shares constituting the Collateral on the day immediately prior to the date on which such Shares are being deposited with Credit Suisse AG. The above-mentioned collateral will be provided to Credit Suisse AG shortly after Listing. According to note 2 to Rule 10.07(2) of the Listing Rules, a controlling shareholder of a listed issuer is not prevented from using securities of the issuer beneficially owned by him as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan. Credit Suisse AG is an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)).
- (4) Ms. Huang Xing is the spouse of Mr. Hua. Under the SFO, Ms. Huang Xing is deemed to be interested in the same number of Shares in which Mr. Hua is interested.

Save as disclosed herein, our Directors are not aware of any person who will, immediately following the Global Offering and the Capitalization Issue, have an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

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### UNDERTAKINGS GIVEN BY THE SHAREHOLDERS

See “Underwriting—Underwriting Arrangements and Expenses—Undertakings to the Stock Exchange pursuant to the Listing Rules” for details of undertaking given by our Controlling Shareholders.

### RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Our Group is principally engaged in the business of providing one-stop EPC and PMC solutions to the petrochemicals and coal-to-chemicals industries in the PRC, including design-building and renovating ethylene cracking finances and for the construction of production facilities for ethylene and downstream petrochemical products, coal-to-chemicals and oil refineries (the “Business”).

Mr. Hua is the founder of our Group, an executive Director and one of the Controlling Shareholders. Mr. Hua also controls other companies in other business such as bio-pharmaceuticals, clean energy and heavy industry mainly through Wison Holding, which are not in direct or indirect competition with our Group.

Wison Nanjing’s business includes the manufacture and supply of chemical raw materials such as carbon monoxide, methanol, hydrogen, syngas and sulfur in large quantities to downstream enterprises in the form of close cooperation, with coal as the feedstock and using state-of-the-art clean coal production technologies, which are environmentally friendly with almost zero emission of dust and sulfides. Wison Nanjing focuses on coal-to-chemicals manufacturing instead of our EPC-related business and this distinguishes its business from our Group’s.

Wison Nantong’s business includes offshore marine drilling and production services in the oil and gas industry, including EPC, EM and PC, and PMC. Its business focuses mainly on offshore marine modules, offshore marine drilling rigs and offshore specialized vessels. Wison Nantong focuses mainly on the offshore marine oil and gas segment, which is completely different from the segment targeted by our Group, as the equipment, technologies and procedures required for offshore marine EPC services are completely different from those of our Group’s onshore chemical EPC services.

Zhoushan Wison’s business includes design and construction of offshore drilling rigs and production platforms, design and construction of pile foundation fixed drilling rigs, production platforms and modules, design and construction of offshore floating oil production, storage and offloading equipment, offshore floating storage and offloading equipment, liquefied natural gas vessels and liquefied petroleum gas vessels, design and construction of luxury cruises, design and construction of port machinery and equipment, and alteration and repair and maintenance of various marine engineering platforms. Zhoushan Wison focuses mainly on the offshore marine oil and gas segment, which is completely different from the segment targeted by our Group.

Nanjing Ruigu is a discrete business dedicated to the production segment of the project “cooperative research project for the methanol-to-olefins sets pilot phase” (甲醇製烯烴成套技術中試階段合作研究) and had no other lines of business that competes or is likely to compete, either directly or indirectly, with our Group’s business.

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Based on the business scope of Wison Nanjing, Wison Nantong, Zhoushan Wison, and Nanjing Ruigu, as explained above, our Directors are of the view that there is no excluded business for the purposes of Rule 8.10 of the Listing Rules as the Controlling Shareholder does not have any business that competes or is likely to compete, either directly or indirectly, with our Group's business. The operations of these entities are completely different from those of our Group with a different industry focus and there are no overlapping operations, or management (save for Mr. Hua). Accordingly, there is a clear business delineation between the business of our Group and the business of these entities. Due to the different lines of business, these entities are not included in our Group.

Having considered the following factors, we believe we are capable of carrying on our business independently of the Controlling Shareholders and their associates after the Global Offering.

### **Management Independence**

Our Board comprises three executive Directors and three independent non-executive Directors. Mr. Hua, our executive Director and ultimate Controlling Shareholder, is the Chairman of our Board. Except for Mr. Hua, who is also a director of Wison Holding, Wison Investment, Wison Energy (HK), Wison Chemical Technology Limited, Wison Chemical, Wison Heavy Industry Technology Limited and Wison Offshore & Marine, none of our Directors is currently holding or has held a position with the above-mentioned companies during the three years ended December 31, 2011 and the six months ended June 30, 2012. Each of our Directors is aware of his fiduciary duties as a Director of our Company which require, among other things, that he acts for the benefit and in the best interests of our Company and does not allow any conflict between his duties as a Director and his personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) must abstain from voting at the relevant board meetings of our Company in respect of such transactions and must not be counted in the quorum.

In addition, we have an independent senior management team which carries out the business decisions of our Board. Our Directors are satisfied that our senior management team is able to perform its role in our Company independently of the Controlling Shareholders, and our Directors are of the view that our Group is capable of managing our business independently of the Controlling Shareholders after the Global Offering.

### **Operational Independence**

We have established our own organizational structure comprising individual departments, each with specific areas of responsibilities. We have also obtained all necessary qualifications for us to operate our current businesses. Our Group has established independent accounting and financial reporting systems.

Our Group sources raw materials and component parts required for the provision of our services from parties not connected with our Controlling Shareholders, and our Group has its own client base and operates independently through our own sales and marketing network. Our Group does not rely on our Controlling Shareholders for the supply of raw

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materials, components and parts or development of client relationships. We have also established various internal control procedures to facilitate the effective operation of our business.

### Financial Independence

Our Group can finance our operations independently and make financial decisions according to our own business needs. Our Directors confirm that, as of the Latest Practicable Date, our Controlling Shareholders have not provided any other financial assistance, including amounts due from and loans to our Group. Upon Listing, there will be no amounts due to/from, or guarantees/security/pledges provided by and/or to our Controlling Shareholders and their associates for any indebtedness of our Group. We believe that we are capable of obtaining financing from Independent Third Parties, if necessary, without reliance on the Controlling Shareholders.

Based on the above reasons, our Directors are of the view that our Group is capable of carrying on its business independently from our Controlling Shareholders after the Listing.

### COMPETITION WITH CONTROLLING SHAREHOLDERS AND DIRECTORS

As confirmed by our Directors and our Controlling Shareholders, none of them has any interest in a business, other than our Group's business, which competes or is likely to compete, either directly or indirectly, with the current business and the business to be conducted from time to time by our Group.

### Non-competition deed

By a non-competition deed dated November 30, 2012, each of the Controlling Shareholders has undertaken that, among others, from the date of execution of the non-competition deed to the date falling two years after the Controlling Shareholders and/or their respective associates are no longer beneficially interested in at least 30% of the issued share capital of our Company:

- (a) he/it will not engage, participate or hold any right or interest in or render any services to or otherwise be involved in any business (whether as owner, manager, operator, licensor, licensee, lender, partner, stockholder, joint venture, employee, consultant or otherwise) which competes or is likely to compete, either directly or indirectly, with all the business currently carried on by our Group and the business which is identical or similar to, or in direct or indirect competition with, that of any member of our Group from time to time, including, but not limited to, provision of (i) E, PC, EPC, E+PM+C and EM+PC solutions to the coal-to-chemicals industry for design and construction of coal-to-chemicals conversion processing plants; (ii) PC, EPC and PMC solutions to the oil refining industry for design, procurement and construction of oil refining facilities; (iii) E, PC, EPC, PMC, EM+P+C, E+PsCM and PC+technical service solutions to the petrochemicals industry for design, building and renovating ethylene cracking furnaces and for the construction of production facilities for ethylene and its downstream products; (iv) production of heat-resistant alloy tubes and fittings; and (v) EPC and PC services for the enhancement and modification of other chemical engineering processing systems

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and facilities (such as steel and marine engineering projects) (the “Restricted Business”);

- (b) in respect of any of his/its associates, he/it will procure that each of such associates will not engage or otherwise be involved in any Restricted Business;
- (c) he/it or his/its associates will not exploit his/its knowledge or information obtained from our Group to compete, directly or indirectly, with the business currently carried on by our Group and such other businesses as may be carried on by our Group from time to time;
- (d) he/it or his/its associates will not, directly or indirectly, take any other action which constitutes an intentional undue interference with or a disruption of any of our Group’s current business and such other businesses as may be carried on by our Group from time to time, will not, and will procure that its or his associates, either by himself or itself or through another company directly, will not, either on his/its own account or in conjunction with or on behalf of any person, firm or company, directly or indirectly, be interested or engaged in or acquire or hold (in each case, whether acting as an investor, shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) any of the Restricted Business both within and outside the PRC;
- (e) he/it will provide all information necessary (including his/its interest in business undertakings and those of his/its associates) for the annual review by the committee comprising the independent non-executive Directors of the compliance and the enforcement of such undertakings by each of Mr. Hua, Wison Holding and Wison Investment;
- (f) he/it will make an annual declaration on compliance with such undertakings in our annual reports; and
- (g) he/it will excuse itself/himself from voting and not be counted as quorum of any meetings of shareholders and/or our Board for consideration and approval of any matters referred to in the non-competition deed which have given or may give rise to conflicts of interest, actual or potential.

The independent non-executive Directors will review, on an annual basis, the Controlling Shareholders’ compliance with the non-competition deed. The decisions on matters reviewed by the independent non-executive Directors relating to the enforcement of the non-competition deed (if any) will be disclosed in our annual report or, where the Board considers it appropriate, by way of an announcement. The disclosure on how the non-competition deed was complied with and enforced is consistent with the principles of making voluntary disclosures in the Corporate Governance Report to be contained in our annual report pursuant to the Listing Rules.